

1057

M.A (Economics) Fourth Semester
MAECO-403 & 404 [Opt. (iv-b)]: Economics of Financial Markets and Institutions
(In all mediums)

Time allowed: 3 Hours

Max. Marks: 80

NOTE: Attempt five questions in all, including Question No. 1 which is compulsory and selecting one question from each Unit.

x-x-x

I. Answer any ten of the following in about 25-30 words each:-

- a) What do you mean by financial intermediation?
- b) What do you mean by new issue market?
- c) What do you mean by implicit cost of capital?
- d) What do you mean by trading on equity?
- e) What do you mean by gilt edged securities?
- f) What do you mean by balanced funds?
- g) What do you mean by net asset value of a fund?
- h) What do you mean by portfolio diversification?
- i) What do you mean by information asymmetry?
- j) What do you mean by risk free return?
- k) What do you mean by dematerialization of securities?
- l) What do you mean by price rigging?
- m) What do you mean by American exchange rate quotes?
- n) What do you mean by value date?
- o) What do you mean by foreign currency swaps? (10x2)

UNIT – I

- II. What are the different types of financial institutions? What are the functions of financial institutions?
- III. What do you mean by weighted average cost of capital? How would you determine the weighted average cost of capital?

UNIT – II

- IV. What are the different types of securities? Explain the salient features of different types of securities?
- V. How would you classify risk? Explain the different methods which can be used for measurement of risk.

UNIT – III

- VI. What do you mean by efficient market hypothesis? Explain the significance of efficient market hypothesis in investment decisions.
- VII. What are the objectives of regulation of financial markets? Examine the role of SEBI in regulation of financial markets.

UNIT – IV

- VIII. What do you mean by 'foreign exchange market? Who are the major participants of foreign exchange market?
- IX. Write a note on the organization of foreign exchange market in India. What are the strengths and weaknesses of foreign exchange market in India?

x-x-x

(Hindi and Punjabi versions enclosed)

(हिन्दी - अनुवाद)

- [illegible]

$x - x - x$

-3-

(अज्ञात - अनुवाद)

- [illegible]

$$x - x - x$$